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SECURITIES AND EXCHANGE COMMISSION
[Release No. 34-72116; File No. SR-ICC-2014-02]

Self-Regulatory Organizations; ICE Clear Credit LLC; Order Approving Proposed Rule Change to Update ICC's Liquidity Thresholds for Euro Denominated Products
May 7, 2014.

I. Introduction

On March 12, 2014, ICE Clear Credit LLC ("ICC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change SR-ICC-2014-02 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder.² The proposed rule change was published for comment in the Federal Register on April 1, 2014.³ The Commission received no comment letters regarding the proposed change. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

II. Description

ICC is proposing to update its liquidity thresholds for Euro denominated products. Under the proposed changes, ICC will require the first 65% of Clearing Participant Non-Client Initial Margin and Guaranty Fund Liquidity Requirements ("Non-Client Liquidity Requirements") to be satisfied with collateral in the currency of the underlying instrument. ICC notes that for United States Dollar ("USD") denominated products, its rules already state that the first 65% of Non-Client Liquidity Requirements must be satisfied with USD denominated collateral, the first 45% of which must be posted in USD cash and the next 20% of which may be posted in USD

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 34-71810 (March 26, 2014), 79 FR 18377 (April 1, 2014) (SR-ICC-2014-02).

denominated assets (USD cash and/or US Treasury securities). Currently, for Euro denominated products, 45% of Non-Client Liquidity Requirements must be posted in Euro cash and the next 20% may be posted in Euro cash, USD cash, and/or US Treasury securities.

Accordingly, ICC proposes updating the liquidity thresholds for Euro denominated products, listed in Schedule 401 of the ICC Rules, to require the first 65% of Non-Client Liquidity Requirements for Euro denominated products to be satisfied with Euro cash. ICC states that this change is intended to increase the Euro cash Non-Client Liquidity Requirements for Euro denominated products and create more consistent liquidity requirements across USD and Euro denominated products. In addition to updating its rules, ICC also proposes to update the ICC Treasury Operations Policies and Procedures to reflect the proposed change in ICC's Non-Client Liquidity Requirements for Euro denominated products. ICC states that the update to the ICC Treasury Operations Policies and Procedures will not require any operational changes.

ICC also proposes to remove redundant references to "US cash" in Schedule 401 of the ICC Rules, as US cash is included in all "G7 cash" references.

III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act⁴ directs the Commission to approve a proposed rule change of a self-regulatory organization if the Commission finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such self-regulatory organization. Section 17A(b)(3)(F) of the Act⁵ requires, among other things, that the rules of a clearing agency are designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative

⁴ 15 U.S.C. 78s(b)(2)(C).

⁵ 15 U.S.C. 78q-1(b)(3)(F).

agreements, contracts, and transactions, to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible and, in general, to protect investors and the public interest.

The Commission finds that the proposed rule change is consistent with the requirements of Section 17A of the Act.⁶ The proposed change provides ICC with increased available liquidity and is therefore consistent with the requirements of Section 17A(b)(3)(F) of the Act⁷ of promoting the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivatives agreements, contracts, and transactions, and helping to protect investors and the public interest.

IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act⁸ and the rules and regulations thereunder.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁹ that the proposed rule change (File No. SR-ICC-2014-02) be, and hereby is, approved.¹⁰

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

⁶ 15 U.S.C. 78q-1.

⁷ 15 U.S.C. 78q-1(b)(3)(F).

⁸ 15 U.S.C. 78q-1.

⁹ 15 U.S.C. 78s(b)(2).

¹⁰ In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

Kevin M. O'Neill,
Deputy Secretary.

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¹¹ 17 CFR 200.30-3(a)(12).